



Corporate Services Scrutiny Panel Quarterly Public Hearing with the Minister for External Relations

MONDAY, 16th JUNE 2014

Panel:

Senator S.C. Ferguson (Chairman)
Deputy J.G. Reed of St. Ouen (Vice-Chairman)
Connétable D.W. Mezbourian of St. Lawrence
Deputy R.J. Rondel of St. Helier

Witnesses:

Senator Sir P.M. Bailhache (The Minister for External Relations)
Mr. T. Walker (Director, External Relations)
Mr. D. Walwyn (Deputy Director, External Relations)

Topics Discussed:

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[14:03]

Senator S.C. Ferguson (Chairman):

Good afternoon, Minister, welcome to this public hearing of the Corporate Services Scrutiny Panel, our regular quarterly public hearing with yourself as Minister for External Relations. Now, if I can bring to your attention the health warning next to you. Thank you. Right, well if we can start with the intergovernmental agreement and the relationship with the U.K. (United Kingdom), please, Minister. I suppose the obvious question is: why have you lodged an amendment to P.67 as an independent member and not as Minister for External Relations?

The Minister for External Relations:

Well, I think my first answer to that, Chairman, is that I have not lodged an amendment to the I.G.A. (Intergovernmental Agreement). The Minister for External Relations is being questioned by the Scrutiny Panel and the Minister for External Relations has not lodged an amendment.

The Deputy of St. Ouen:

Maybe then I could ask you: as Minister for External Relations what is your view of the amendment lodged by an independent member?

The Minister for External Relations:

I do not think, Deputy, that the Minister for External Relations really can have a view on this. There is a government position which is represented by the Chief Minister and by the Minister for Treasury and Resources and that is the government position and I think you must ask the government representatives for their views on that. As an independent member, as you rightly say, I have lodged an amendment but I have not lodged it as Minister for External Relations.

Deputy R.J. Rondel:

When you say that is a government position, is that the Council of Ministers' decision?

The Minister for External Relations:

It may be, Deputy, I am not sure. It certainly is the position of a number of members of the Council of Ministers and it is a position of the Chief Minister and the Treasury Minister.

The Deputy of St. Ouen:

Can you just confirm...we are well aware that you as a Minister are required to follow and support the common policy as agreed by the Council of Ministers. Briefly, what position does the Council of Ministers take on the proposed agreement that is to be entered into with the U.K.?

The Minister for External Relations:

I am sorry, I am not sure that I understood that question. You are asking me to explain the position of the Council of Ministers?

The Deputy of St. Ouen:

Sorry, I am trying to think of the actual title and maybe the Director will help me here. There is a common policy for external relations, which as Minister you are signed up to and it is a common policy of the Council of Ministers which extends to all sorts of matters. I suppose my first question is does it extend to the matter of this agreement that is planned to be entered into with the U.K.?

The Minister for External Relations:

Yes, I think it does. It is the common policy for external relations; it encourages the government to reach agreements with other countries and to promote Jersey's international identity and so on.

The Deputy of St. Ouen:

What role as Minister for External Relations are you required to play with regard to the implementation of that common policy?

The Minister for External Relations:

Well, I implement the common policies to the best of my ability.

The Deputy of St. Ouen:

And with regard to the specific agreement with the U.K. what would be your involvement as Minister for External Relations?

The Minister for External Relations:

The agreement between the U.K. and Jersey was signed by the Chief Minister and the Chief Minister took responsibility for it.

Senator S.C. Ferguson:

Was the Chief Minister...

The Deputy of St. Ouen:

Sorry, again, it has been a little bit unclear as to the exact relationship and role and responsibilities regarding external relations because we are aware that the Chief Minister obviously plays a part but now we have a Minister for External Relations and obviously as Minister you have been delegated with specific authority. One would presume that whatever the Chief Minister does or signs you would be in support and be consulted upon, is that correct?

The Minister for External Relations:

Yes, can I try to be helpful?

The Deputy of St. Ouen:

Yes, thank you.

The Minister for External Relations:

In relation to the U.K. I.G.A. and in relation to a number of different international matters of this kind, the Chief Minister and the Minister for External Relations, the Minister for Treasury and Resources, and sometimes other Ministers consulted with each other and with officials in determining what their policy in relation to a particular agreement is going to be. And on this occasion the final agreement was made by the Chief Minister and by the Minister for Treasury and Resources at a time when coincidentally I was out of the Island.

The Deputy of St. Ouen:

Are you expected as Minister for External Relations to fully support the actions of the Chief Minister in this regard?

The Minister for External Relations:

I think if I can speak in general terms of all Ministers I think there are few who have not supported the Chief Minister as resolutely and as firmly as I have.

The Deputy of St. Ouen:

I am not suggesting otherwise. I suppose it is linked to the next question. You are obviously responsible for developing relationships and building relationships with the U.K. and elsewhere, my concern...my question to you is: if actions as an independent member put into question your other role, which is Minister for External Relations, do you think it could cause concern with the government that you are trying to build relations with?

The Minister for External Relations:

Well, we are a little bit rehearsing a debate that is going to take place tomorrow or the day after tomorrow. My own view, and I am being lured, Deputy, by you into a position that I think probably is not the correct position for me to be in because, as I say, the Minister for External Relations does not have a view on Senator Bailhache's amendment. But I think I can tell you that I do not believe that the amendment, if adopted, would have the slightest affect upon our relationship with the United Kingdom.

Deputy R.J. Rondel:

Just to clarify, Minister, the original proposition, if I understood you correctly, you said you were out of the Island when that was presented and drafted?

The Minister for External Relations:

No, I was out of the Island when the decision was made to sign the agreement in the shape which it now is.

Deputy R.J. Rondel:

Okay, but that is what was implemented with the backing of the officers I presume at the time?

The Minister for External Relations:

I think you will have to ask the Chief Minister that.

Senator S.C. Ferguson:

Who was involved with this? Agreeing the U.K. F.A.T.C.A. (Foreign Account Tax Compliance Act) as opposed to the American one? It appears from what you say, Minister, that it was the Chief Minister and the Minister for Treasury and Resources which seems a little...how do you decide the boundaries within which you are all working when you are the Minister for External Affairs and yet the Minister for Treasury and Resources is weighing in as Assistant Minister for Financial Services with this, with the Chief Minister. It all seems a bit confused.

The Minister for External Relations:

I do not think, with respect, Chairman, that it is confused, I think the position is that a number of different Ministers have responsibilities in different ways for external relations. The Chief Minister has, as it were, the overriding responsibility for external relations because he is the Minister vested by law with that responsibility. But the States have also created the Minister of External Relations and there are certainly responsibilities that have been assigned to me. The Minister for Treasury and Resources clearly in financial matters has responsibilities which sometimes spread into the -- spread externally. So he has responsibilities too. Similarly the Minister for Economic

Development, in terms of encouraging the development of the economy quite often is engaged in overseas trips which involve discussions with politicians and others in other countries. So there are a number of Ministers who share this responsibility and although you keep reverting to the I.G.A., I do not think I can really say any more than I have already said. There were discussions between the 3 Ministers, as it happened I was out of the Island when the time came to make a decision on the content of the I.G.A.

[14:15]

The Ministers who were in the Island and responsible at that time were the Minister for Treasury and Resources and the Chief Minister.

Deputy R.J. Rondel:

Sorry, Chairman, you indicated that you did not think Senator Bailhache's amendment would have much effect on the relationship with the U.K. Is that a decision backed by the Council of Ministers having discussed the amendment?

The Minister for External Relations:

I am not responsible for what other Ministers think, Deputy. I think you must ask them what their views are. My view is that there would be no substantial effect upon the relationship with the United Kingdom if the amendment were adopted.

Senator S.C. Ferguson:

In your capacity as Minister for External Relations, have you had discussions with the other Crown dependencies as to what their feelings are about the U.K. F.A.T.C.A. and how the U.K. has behaved?

The Minister for External Relations:

Not personally.

The Connétable of St. Lawrence:

This does not seem to me to be a good state of affairs, that we have a Minister for External Affairs when out of the Island is not consulted on something which is very much an external affairs issue as I see it.

The Minister for External Relations:

Sometimes these things happen, Connétable.

The Connétable of St. Lawrence:

So it is not a good state of affairs from the outside looking in. What have you done with the Chief Minister and/or the Council of Ministers to ensure that you and they do not find themselves in a similar situation in the future?

The Minister for External Relations:

This situation has not arisen before and hopefully it will not arise again. But I suppose the strict answer to that is that next year there will be collective responsibility imposed by law on Ministers. So Senator Bailhache, if he were still a Minister would not be able to bring such an amendment, at least I suspect that is the case.

The Connétable of St. Lawrence:

So had you been present at the discussions about this agreement, would you have spoken against what they were proposing?

The Minister for External Relations:

Well, that is all hypothetical, Connétable, I was not there.

Senator S.C. Ferguson:

Yes, but the Connétable has...

The Connétable of St. Lawrence:

Yes, but we are not in the States now so we are able to ask hypothetical questions. We would expect an answer.

The Minister for External Relations:

I think it is fair to say that there were differences of opinion in relation to this issue for a long time.

The Connétable of St. Lawrence:

Yes, because it did not just happen overnight. There must have been a lead in to it.

The Minister for External Relations:

Well, as you would expect between Ministers, there are robust discussions about all kinds of matters and Ministers do not always agree with each other in relation to the policy to be adopted.

The Connétable of St. Lawrence:

You told us earlier that you did not think there would be particular implications if your amendment was adopted. There would not be implications for our relationship with the U.K.

The Minister for External Relations:

That is my view.

The Connétable of St. Lawrence:

What is your view to the implications for the amendment not being adopted?

The Minister for External Relations:

Well, equally there will be no effect upon the relations with the United Kingdom.

Deputy R.J. Rondel:

Will the Council of Ministers be issuing comments on the amendment for the debate?

Director, External Relations:

I understand that it is likely that the Chief Minister will be presenting comments later today.

The Deputy of St. Ouen:

Will that be based on the advice of your officers that are directly responsible to you, Minister?

Director, External Relations:

You mean the Chief Minister's comments, will that be based on advice of officers? Yes.

Senator S.C. Ferguson:

But not yourself? Sorry, we are treading on **[Laughter]** eggshells here, are we not?

Director, External Relations:

The public service is indivisible in that sense.

The Deputy of St. Ouen:

Perhaps I can ask an easier question or perhaps a more direct question hopefully. What involvement did you, Minister, or your department have in the development of the intergovernmental agreement that has been now signed with the U.K.?

The Minister for External Relations:

My department has been implicitly involved with it all the way through.

The Deputy of St. Ouen:

Right, okay, would you be the primary source of advice around this agreement?

Director, External Relations:

Advice to whom?

The Deputy of St. Ouen:

Well, to those that...the Council of Ministers, the Chief Minister or whoever else may be involved in making the final decision about whether or not an agreement should be entered into?

Director, External Relations:

Yes, myself and my colleagues would have advised the Council of Ministers who discussed this matter probably on 3 occasions.

The Deputy of St. Ouen:

What other stakeholders would advice have been sought from?

Director, External Relations:

I think from memory, industry were consulted. I believe there was a consultation. Again, these are probably questions for the Chief Minister but...

The Deputy of St. Ouen:

Seeing you are closely involved I thought you would know who the key stakeholders were.

Senator S.C. Ferguson:

Yes, who took the lead on this then?

Director, External Relations:

From memory I think that industry was consulted quite extensively during the process and the Connétable will remember there was quite a long gestation period from the initial suggestion to the Chief Minister signing the agreement.

Senator S.C. Ferguson:

This is an agreement based on external affairs but the Chief Minister took the lead on it, did he?

Director, External Relations:

The Chief Minister was the signatory, yes.

Senator S.C. Ferguson:

Did he take the lead in the discussions?

Director, External Relations:

In the way that the Chief Minister would normally chair discussions of Council, yes. Did he take the lead in the discussions with the United Kingdom, is that what you mean?

Senator S.C. Ferguson:

Yes, well just generally. He is chairing the meetings perhaps.

Director, External Relations:

Council of Ministers.

Senator S.C. Ferguson:

But if...I am just trying to follow the sort of procedures on this because if it is a matter of external relations I would have expected the Minister to take the lead.

The Minister for External Relations:

Well, I think that as it was a matter that crossed a number of ministerial responsibilities as Sir Philip has outlined earlier, you know, then the Chief Minister naturally held the ring on matters that affect two or more Ministers, as he would in any other policy area as required by the law. It is a very straightforward...it is not an unusual procedure.

The Deputy of St. Ouen:

Can you just confirm that the unamended intergovernmental agreement that has been signed with the U.K. was a requirement placed on us by the U.K.?

Senator S.C. Ferguson:

Before we could sign the F.A.T.C.A. you mean?

The Minister for External Relations:

Well, I do not know, I do not think I would express it in quite that way. There was a voluntary acceptance by the Government of Jersey of the terms which were put forward. The background to that is something which we may be debating tomorrow or the day after.

The Deputy of St. Ouen:

Is it not the case that the starting point of the discussions were initiated by the Jersey Government discussing a F.A.T.C.A. agreement with the U.S. (United States), and it was due to that that the U.K. started to suggest that we should not be signing that agreement in isolation and that if we were to choose to follow that route that we should sign a similar agreement with them?

The Minister for External Relations:

I think there is a reference to that in Senator Bailhache's report.

The Deputy of St. Ouen:

Right, so that is correct. I just want to make sure, are we correct in that statement?

Director, External Relations:

I think they are questions for the Chief Minister really but in terms of the overall question, was this part of a trend whereby the United States proposed automatic exchange of information with all of its global partners, yes. Did the U.K. then propose automatic exchange of information with its partners? Yes. Has the O.E.C.D. (Organisation for Economic Co-operation and Development) and the other early adopters now worked on a model that takes that forward? Yes. So it is part of a continuum that started with the U.S. introducing the idea on the global stage and then others adopting it as it went.

The Deputy of St. Ouen:

I am not wanting to discuss Senator Bailhache's amendment as an issue at the moment, I am trying to understand what emphasis is placed or should be placed on the requests - for the want of a better word - made by the U.K. Government with regard to tax and other matters that many would argue are solely the responsibility of and should only be the responsibility of Jersey. I suppose the question is: how much importance should we place on those requests?

Director, External Relations:

I think a request is perhaps a better word because in this regard the Island retains free will. I think request is a better word, it is a discussion between countries and the Chief Minister will, no doubt, if you ask him, explain why he felt it was in the best interests of the Island to enter into that agreement. But he was not...the Chief Minister can only act in what he believes to be the best interests of the Island and, as Sir Philip says, just like any other policy area there is a robust internal debate about where those best interests lie.

Deputy R.J. Rondel:

If all other jurisdictions would agree at the same time then we would all be on a level playing field more so. Is that really the essence of the amendment possibly?

Director, External Relations:

Again, you can reference the report in the amendment or you can reference the report to the Chief Minister's original proposition but both of them will explain how the world...the global standard of automatic exchange is now what has been adopted and I think it is fair to say that the U.S. can be

widely seen as having kicked off that process with their F.A.T.C.A. and now, you know, we have the development of the O.E.C.D. standard for automatic exchange. Jersey has joined the early adopters group and...

Deputy R.J. Rondel:

That is the key, is it? The early adopter's group?

Senator S.C. Ferguson:

Yes, thank you, but is it right or is it fair - fair is perhaps not the right word - is it right that another jurisdiction should require, virtually be insisting that we apply an information gathering procedure which they do not even do themselves.

The Minister for External Relations:

This is all part of the debate which is going to take place in the Assembly in the next couple of days. I could give you my views, I do not think that would be right because we are in a public forum and the Chief Minister is not here. The Chief Minister has a different view. I know you are going to see the Chief Minister later but I think that will be privately so I do not think it would be fair for me to, as it were, pre-empt the debate by giving you my views on these matters. They are going to come out in the debate in two days' time.

The Deputy of St. Ouen:

We are certainly not looking that you do that but what we are trying to understand is generally what influence can or is the U.K. able to place on the Island to maybe enter into agreements that perhaps some might argue would not be in our best interests. I think of a previous example of the low-value consignment tax relief issue that the U.K. placed quite significant pressure on both ourselves and other Crown Dependencies to stop offering the benefits or deal with perhaps some of the inconsistencies that they believe were operated and being used by the Island. In that case it had been perhaps economic to the Island and I suppose we come back to whether...and I am not suggesting that perhaps this is the case but were we able to say: "No."

[14:30]

Director, External Relations:

I think with L.V.C.R. (Low-Value Consignment Relief) that was not something for us to say yes or no to. That was a function of U.K. tax law entirely within the control of the U.K. We objected through the courts to the way in which they interpreted European law but it was entirely within their own jurisdiction and did not require us to agree or disagree to it. Where an intergovernmental

agreement is concerned, regardless of whatever the subject of that might be, that is always something entered into by two parties. So it is a slightly different situation from L.V.C.R.

The Deputy of St. Ouen:

Thank you for making that clear.

The Minister for External Relations:

Each country acts in accordance with its own national interests. The United Kingdom acted in accordance with its own national interests in relation to L.V.C.R. and in relation to the I.G.A. it was also acting as it conceived was in its own national interests. One of the interesting things about the debate before the States, which I think is probably the first such debate that we have had, is that the Assembly itself is being asked to consider what is in the Island's national interests as a legislature.

The Deputy of St. Ouen:

Thank you.

Deputy R.J. Rondel:

Thank you. You will be pleased we are moving on from there. Could you update us on the current status of Bureau des Iles Anglo-Normandes.

Senator S.C. Ferguson:

Richard did want to ask you the question in French. **[Laughter]**

The Minister for External Relations:

The Bureau des Iles Anglo-Normandes came into existence, I think I am right in saying on 1st June this year and the new director took up her post on 2nd June. She is a lady who has considerable experience in the French public service and she will be living in Paris and travelling to Caen for 3 or 4 days a week. So we hope that this is quite a good opportunity for us to have an entrée into the French National Government for the first time because she has some very good connections which we hope that we will be able to exploit.

Deputy R.J. Rondel:

Has her appointment been shared among States Members? Do we know the position?

Deputy Director, External Relations:

Indeed. An announcement was made at the establishment of Bureau des Iles Anglo-Normandes back in December 2013.

Deputy R.J. Rondel:

Yes, but not of her position?

Deputy Director, External Relations:

The fact that we were recruiting for the position.

Deputy R.J. Rondel:

Yes, we know that but has her announcement been made. Or who is it?

Deputy Director, External Relations:

Indeed, it is the soft opening that is proposed for B.I.A.N. (Bureau des Iles Anglo-Normandes) and the person is Maddia Belclune(?) who, as Sir Philip said, has experience in the French civil service in Paris.

Deputy R.J. Rondel:

Thank you.

The Connétable of St. Lawrence:

How do you intend to exploit her connections?

The Minister for External Relations:

Well, one of the things that we are wanting to do in the aftermath of the delisting from the French blacklist is to maintain good relations, in particular with the Ministry of Finance in Paris, but also one or two other Ministries as well. The advantage of having a director who has personal knowledge or personal experience of the French public service is that it makes it easier, as we hope we shall find out, to get access to Ministers and senior officials to whom we want to speak. I think I can say I had very good relations with Monsieur Cazeneuve, who was the Minister for the Budget at the time when we were removed from the blacklist, but he has now moved on to become Minister for the Interior and he has been replaced by another Minister. So I would very much like to try to meet that Minister and try to emphasise to him that we are a co-operative jurisdiction and try to pre-empt any similar difficulties arising in future.

The Connétable of St. Lawrence:

So to meet the new Minister are you saying that you will utilise the skills of this...I did not catch her name?

The Minister for External Relations:

Well, when one tries to arrange a ministerial appointment the interlocutors are obviously the officials in either one's own ministry or in other parts of the public service. We might use the good

officers of the Brussels office and our representatives there. We might use the good officers of B.I.A.N., we have to decide which is the best way, we might use Mr. Moran(?) who has good connections also in the Ministry of Finance. So by hook or by crook we hope to achieve that end.

Senator S.C. Ferguson:

Not too many crooks, I hope.

Deputy R.J. Rondel:

Okay, to move on? Relationship with the E.U. (European Union), implementation of legislation. We carried out a review and one of the findings which you agreed with was that other Ministers could implement E.U. legislation by ministerial order under various laws if there exists the authority to do so within those laws. What work, if any, do you and your department do to ensure that there is a full understanding across the ministerial departments of the implications of extending E.U. measures to Jersey?

Director, External Relations:

Among officials we have a Jersey grouping of officials that looks at E.U. matters. It is only officials, it does not involve Ministers but it is called the Jersey Brussels Group. It meets every quarter and it takes a look right across the administration of different departments on what is coming up and the approach we might take. So there is a grouping of officers involved in E.U. matters right across Government that meets every quarter. Then in addition other departments are now quite good and very consistent in consulting with external relations on any E.U. matters. Then sometimes they might ask the Law Officers for opinion and the Law Officers will join it all up with external relations as they give advice, and sometimes they will ask us and we will join up with the Law Officers to get legal advice. But generally most things to do with whether to extend an E.U. law becomes kind of a tripartite between the department concerned, ourselves and the Law Officers for legal advice.

Deputy R.J. Rondel:

Are you content that one or other departments are aware and can consult...

Director, External Relations:

Now, two different questions there possibly. Am I content that the systems and processes are good? Yes, I think that I am comfortable that the other officers know what they should do and that people understand how it works. Can I guarantee that that would always work 100 per cent of the time in 100 per cent of circumstances? Well, that relies on individuals and so if an individual arrives in post tomorrow then it takes them a while to understand the system and the processes.

But it does seem to work now. I do not recall that we have had any difficulties with perhaps another department not understanding the role of seeking advice.

Deputy R.J. Rondel:

Have you got something in place that could highlight a situation of a particular department if they are not consulting as they should?

Director, External Relations:

Generally now it gets caught pretty early on. I think that right across government people are aware of the external relations function and are well connected in with us as a group of officers. As I said, on the few occasions where perhaps something has not come direct to us, it has gone direct to the Law Officers, they have joined it back up with us or vice versa.

Deputy R.J. Rondel:

At that stage if it has diverted yourselves, do you make it aware to the departments perhaps to come to you first?

Director, External Relations:

We do, but most things...the vast majority of things come through us in the first instance anyway. Probably 80 to 90 per cent comes through us in the first instance rather than direct to departments.

Senator S.C. Ferguson:

But that is E.U. stuff.

Director, External Relations:

Yes.

Senator S.C. Ferguson:

The E.U. stuff that comes via the U.K., and 75 per cent of the legislation I understand going through the U.K. at the moment is E.U. stuff, are people aware of that so they know when not to follow it slavishly, which is one of my *bête noires*.

Director, External Relations:

The E.U. law that comes in tends to come in direct, it does not come in via the U.K. So where we implement something under Protocol 3 we do not tend to get a request to do so from the U.K. department, it tends to be we pick it up direct and we implement it direct. The aspect you are on about, Senator, is the more subtle thing where an officer in Jersey might say to a Minister: "I think Jersey citizens would quite like this bit of law as well or this bit of consumer protection" and they

probably do not even know that it has a European background to it. I think that is more subtle. I would not guarantee that we pick that up every time because quite often with so many people coming from the British Isles to the Island there can just be, in areas like consumer law, an expectation that certain laws will be in place and quite often neither the people nor the Ministers nor the officials appreciate that they had an E.U. base 10 years ago or something before they...

Senator S.C. Ferguson:

So how are we going to deal with it?

Director, External Relations:

You mean if a Jersey officer gives advice that Jersey citizens would want...

Senator S.C. Ferguson:

How are you going to catch those before they hit the system?

Director, External Relations:

They are a different sort of thing, are they not? I think where we are obliged to implement something under Protocol 3 as an E.U. law then that is one thing. That is an obligation. Where a Minister feels that Islanders would like, say, a particular consumer protection and they just feel that Islanders would like that, regardless of whether it has an E.U. or a U.N. (United Nation) base to it, I think that is something entirely different, because that is the normal policy making process about whether Islanders would like that, which is then tested through the Assembly to take a decision on. In a sense I do not particularly...I am not sure that there is a role for external relations in saying to a Minister of a department: "Well, you might think that Islanders want that law but we should not implement it because I know that 10 years ago that had a European base to it."

Senator S.C. Ferguson:

No, but surely you could go back and say: "Are you aware that 10 years ago that was an E.U. directive?"

Director, External Relations:

We have done that on occasion and the reason that we have done it is because our preference nowadays and the preference of the Law Officers' Department is to go back and look at the original European directive rather than implement a U.K. version of that directive anyway. So we have done that on occasions for those sorts of reasons, which we feel would lead to sometimes a better legal implementation of the underlying consumer right rather than relying on the U.K. version which may have other things in the law as a result of U.K. policy making for U.K. residents, yes.

Deputy R.J. Rondel:

Could we move on perhaps to talk about the representation in the Far East? Could you perhaps give us an update on the positive benefits we have had with our representation in the Far East? I know when I visited Singapore over a year ago I did visit two local representatives out there of firms that are out there and they were a little bit concerned that we had not branded our self enough out there, and how important it was to really get the Jersey brand recognised more. Are you able to give us an update on what has been done during the last year?

The Minister for External Relations:

The Chief Minister made his second or third visit to China a couple of months ago but I was not with him so perhaps the Deputy Director can fill us in because I think he was there.

Deputy Director, External Relations:

Certainly, Minister. Indeed the Chief Minister did visit China in April this year and had a series of calls both in Beijing and Shanghai on this occasion.

[14:45]

He was very well received. At a high level in the Ministry of Foreign Affairs he was met by Deputy Minister Wang Chao and he had further talks at Askic(?) which is the Ministry that deals with health and carried forward discussions about the approval of importation of dairy products by...well, exportation by Jersey Dairy into China and had discussions at the Ministry of Commerce and I would say that there has been a distinct step forward in relations with China that is leading towards tangible progress in those areas.

Deputy R.J. Rondel:

Have we not seen tangible progress yet? In other words, in financial services for example?

Deputy Director, External Relations:

The data relating to financial services being conducted through Jersey, it is very difficult to establish of course because if a Chinese entity is using a S.P.V. (Special Purpose Vehicle) or whatever, it is not going to be immediately a simple statistic. But, for example, there are, I think, 43 Chinese companies that are listed on A.I.M. (Alternative Investment Market) through using Jersey holding vehicles. There has been a distinct interest and use of Jersey for RMB-denominated funds. So these are the sorts of things we are seeing a lot of interest.

Deputy R.J. Rondel:

Could you just explain, we have somebody out, exactly what their role is and how they are employed? Is it just under Jersey or Channel Islands?

Deputy Director, External Relations:

They are in Beijing. There is one person, Mora Chung(?), who is employed through E.D.D. (Economic Development Department) for business development. Jersey Finance have an office in Hong Kong and they have very recently enhanced the establishment of a representative in Shanghai as well.

Deputy R.J. Rondel:

Those are full-time people?

Deputy Director, External Relations:

Yes.

The Connétable of St. Lawrence:

Minister, the Medium Term Financial Plan, the last one, I understand included funding of about £50,000 for the appointment of an international adviser to the Council of Ministers. Do we have an international adviser to the Council of Ministers, has that person been appointed?

The Minister for External Relations:

We do have one at the moment.

Director, External Relations:

Yes, the funding currently allows us to engage Mr. Powell, who is the international adviser to the Council of Ministers.

The Connétable of St. Lawrence:

How long has he been in that position?

Director, External Relations:

He was first appointed by the Policy and Resources Committee pre-ministerial government in a part-time role to advise just on international tax matters and then that continued on and off for a number of years in between Mr. Powell's other duties that he had at time, Chairman of the Financial Services Commission and other roles, and then more recently we have had exclusive use of Mr. Powell as the international adviser to the Council of Ministers. So it is a process which

has evolved from the Policy and Resources Committee first taking that decision back in probably it would have been about 2003 maybe, back then.

The Connétable of St. Lawrence:

We were wondering, when we were preparing our questions, whether Mr. Powell was in fact the international adviser. How does his role differ to yours, because you are Director of External Relations, International Affairs, what is the difference between you and why do we need both of you? [Laughter]

Director, External Relations:

A harsh question. Mr. Powell's role focuses on E.U. and international tax matters and so he is our primary representative to the O.E.C.D. and to the various E.U. fora on E.U. and international tax developments. The Island needs someone in that role because that is where the decisions are taken and so the standards which the Island is committed to meeting, which successive Ministers have now committed to meeting, are developed in those various fora. You do not necessarily need myself and Mr. Powell providing we never have to be in two places at once. So Mr. Powell's role is much more off Island and involved face-to-face in doing those negotiations. So, for example, he will spend a week in Berlin negotiating with the 190-odd other countries that participate in the O.E.C.D. global forum and he will be doing that all week and nothing but that, completely dedicated to getting the best result for Jersey and then I will be doing other things, which are not related to E.U. and international tax but relate to the wider responsibility of external relations, constitutional matters in the round. So it is a very dedicated specific role.

The Connétable of St. Lawrence:

In the hierarchy within external relations, who is senior? Is it Mr. Powell as international adviser or you as Director?

Director, External Relations:

Mr. Powell does not sit in the hierarchy because he is not an employee of the States Employment Board. When the Policy and Resources Committee engaged him I think he was already with employment elsewhere, the Financial Services Commission - I cannot quite remember - and so they had him on a kind of quasi consultancy basis. That continued and that was the case when I joined in mid-2009. We have just devolved that contractual relationship. So I suppose technically Mr. Powell is a contractor rather than an employee.

The Connétable of St. Lawrence:

So he is not an employee?

Director, External Relations:

No.

The Minister for External Relations:

The person who runs the department is the Director.

Director, External Relations:

I manage Mr. Powell's contract and his funding.

The Connétable of St. Lawrence:

Okay, thank you. I think this question can be addressed to the Minister rather than the officers. Minister, when we met last you were talking about the U.N. Convention on the Rights of the Child and that there had been a blockage to ratifying that. What is the current position? Our understanding was that blockage had been cleared and there was a way forward for the ratification.

The Minister for External Relations:

Yes, I think the blockage has been cleared and I think an announcement is going to be made fairly shortly, which will be very positive.

The Connétable of St. Lawrence:

So you would rather hold back on that announcement than tell us?

The Minister for External Relations:

If you would not mind. There is a reason for it so I would not like to make any formal statement about it at this stage.

The Connétable of St. Lawrence:

Are the rest of the Panel happy with that? I am.

The Deputy of St. Ouen:

Yes, my only question is can you confirm whether or not it is likely that the U.N. Convention on the Rights of the Child will be ratified this year?

The Minister for External Relations:

I think we will see some positive progress by the middle of month.

The Deputy of St. Ouen:

Thank you.

The Connétable of St. Lawrence:

Thank you, we will accept that but I am sure we are all very pleased to hear that. Before you were elected as the Minister for External Relations, a report was prepared by the Panel and that was before I was a member of it, looking at the creation of the Minister for External Relations and the Chief Minister undertook at the time to prepare a report that would be published in September of this year and which would review the resources that were needed and I think speak about how the work was undertaken within the department. It is a very long-winded lead in to ask the question: is that report going to be ready in September?

The Minister for External Relations:

Yes, certainly.

The Connétable of St. Lawrence:

A closed question deserves a closed answer.

The Deputy of St. Ouen:

Will it be published?

The Minister for External Relations:

Of course it will be laid before the States.

The Connétable of St. Lawrence:

Thank you. This is an interesting one, again to the Minister. You have told us previously Minister that you would be open to suggestions about the development of a common policy on external relations and that I think you hoped that that would allow more involved from all States Members, has that progressed at all?

The Minister for External Relations:

We anticipated that you might ask us a question about this, Connétable, and we have been, since the last attendance before the Scrutiny Panel, talking about ways in which we might be able to involve Members in the ownership of the common policy on international relations. When the new Council of Ministers is formed at the end of this year they will, no doubt, wish to revisit the common policy and to decide whether it meets the bill, so far as they are concerned, during the early part of 2015. So what we were envisaging was a meeting to which Members might be invited before the elections at which the common policy could be explained in a little bit more detail than it has been

so far and Members' views could be invited upon specific aspects of it. Obviously the Council of Ministers at this stage of its term is not going to make any amendments to the common policy, but that will help officials to decide whether or not to recommend to the new Council of Ministers whether there should be any amendments to it. So that was the way in which we thought we might take matters forward.

The Connétable of St. Lawrence:

More involvement of other States Members is that something that you support specifically for your department?

The Minister for External Relations:

I think I have said on more than one occasion that I welcome any contributions from Members as to ways in which the common policy might be amended or improved or tweaked even. But at the end of the day I think I have been equally firm on this, that it is the policy of the Government of Jersey, it is the policy of the Council of Ministers. So there cannot be a debate upon it. But obviously the Council of Ministers has to lay the policy before the Assembly once it has been formulated.

The Deputy of St. Ouen:

Can I just ask, what importance do you place, if any, on the States as a whole not only adopting the common policy but showing and demonstrating support for it?

The Minister for External Relations:

Well, I attach a lot of importance to it because if the Government of Jersey, through its common policy is not following a policy which is broadly approved of by Members of the States then that goes to confidence in the Government of Jersey itself. So it is very important that Members should sign up at least to the broad thrust of the common policy because that will be very important for the Council of Ministers itself.

The Deputy of St. Ouen:

So will it move a step forward in that respect, therefore although it is and will be a policy that flows from the Council of Ministers, there will be some sort of more formal approval adoption or signification that States Members will give to it. Is that what you are suggesting?

The Minister for External Relations:

No, I am not saying that I would want to invite the States to debate the common policy or to approve it in any formal sense, but what I am saying is that it is important that the States as a whole should be comfortable with the common policy that we have formulated.

[15:00]

The Connétable of St. Lawrence:

Can you remind us where that common policy may be found?

The Minister for External Relations:

Somewhere on the website, Connétable, but I am not quite sure where.

Director, External Relations:

The States Assembly website because it is presented as an R in the report series.

Deputy R.J. Rondel:

Could you advise whether your department will require any further resources during the next Medium Term Financial Plan? If so, what might they be?

The Minister for External Relations:

Not at this stage because the work that is being done at the moment in formulating the report and the first year's activity of the Ministry and obviously resource is going to be one of the issues that we will think about in that context.

Deputy R.J. Rondel:

Possibly savings?

The Minister for External Relations:

Maybe even savings. Maybe even savings.

The Deputy of St. Ouen:

Can you just confirm whether or not you have made any submissions to the Treasury regarding the long-term resource plan?

Director, External Relations:

We have not, no. There is nothing relating to external relations in the long-term resource plan.

The Deputy of St. Ouen:

Thank you.

Senator S.C. Ferguson:

Just one quick final question: how would you define our current relationship with Guernsey? There has been mention in the past of a Channel Island Foreign Affairs Committee, has that died a death or is it coming to life?

The Minister for External Relations:

I do not think it has died a death. On the other hand, I do not think it has moved forward enormously either. I think the reason for that is, if I may be frank, the Chief Minister in Guernsey resigned and the new Chief Minister is now in the position. The former Minister for Europe is now the Chief Minister and he is retaining responsibility for external affairs to a certain extent, or maybe even to a large extent. I think he has a number of other things on his plate and I have not felt it right to press him on how we might take forward the Jersey-Guernsey agenda.

Senator S.C. Ferguson:

The general Jersey-Guernsey relationship is good, bad, indifferent?

The Minister for External Relations:

In any relationship there are pinch points. There are difficulties. We saw a pinch point with the aircraft registry and I do not want to articulate them but there may be one or two other pinch points as well. But taken in the round, I think the relationship with Guernsey is pretty strong, certainly among senior Ministers, both in Jersey and in Guernsey, there is a very broad acceptance of the principle that we should work much more closely together.

Deputy R.J. Rondel:

Is that why we let them win the cricket the other day? **[Laughter]**

The Minister for External Relations:

I was not one of those playing in the Jersey side so I take no responsibility for that, Deputy.

Deputy R.J. Rondel:

Could you just give us a quick update on the Romanian driving licence situation, which has been brought up a couple of times in the Assembly and whether there is going to be any thoughts about appointing a Romanian consul over here being there is quite a big representation now.

The Minister for External Relations:

I asked that very question this morning by chance and I was told that the current position is that the Romanian Government is expected to sign off on the driving licences agreement before the end of the month and send it to the embassy in London and we would then be looking to have a

formal signing ceremony, at which we hope the ambassador will be able to come to Jersey. We hope this might be done before the summer break.

Deputy R.J. Rondel:

Good. With regards a local Romanian consul?

The Minister for External Relations:

As far as a consul is concerned, I think if we can bring the ambassador to Jersey to sign the agreement then one of the items on the agenda would be the possibility of the Romanian Government considering the appointment of an honorary consul.

Deputy R.J. Rondel:

That is good news. I have been representing a few families within my district in terms of business that is setting up and it has been quite challenging for some of them without representation.

The Minister for External Relations:

It has taken a long time. I think negotiation of international agreements are not always easy, particularly where it requires making a foreign country understand the nature of a Connétable and his right to issue a driving licence in one-twelfth of the Island.

The Connétable of St. Lawrence:

Or her right. [Laughter]

The Minister for External Relations:

Forgive me.

Senator S.C. Ferguson:

Super. Thank you very much indeed, Minister, gentlemen. I declare the public part of the meeting closed.

[15:05]